

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye  
Marshall Johnson  
Ken Nickolai  
Thomas Pugh  
Phyllis A. Reha

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of A Petition of CenterPoint  
Energy Minnesota Gas for Approval of Tariff  
Changes and a Variance from Minnesota Rules  
Relating to the Implementation of a New  
Customer Billing and Information System

ISSUE DATE: December 12, 2005

DOCKET NO. G-008-/M-05-603

ORDER APPROVING TARIFF CHANGES,  
GRANTING A VARIANCE, AND  
CLARIFYING THAT DISCONNECTION  
NOTICE MUST BE SEPARATE FROM BILL

**PROCEDURAL HISTORY**

On April 13, 2005, CenterPoint Energy Minnesota Gas submitted a request for approval of tariff changes necessary to implement its new customer billing and information system as well as a variance request to Minn. Rule 7820.5300 to allow the due date on the bill to be more than five days before the next scheduled bill. On May 18, 2005, CenterPoint Energy Minnesota Gas submitted for approval an additional tariff change to all its rate schedules that more closely ties the tariff to Minn. Rule 7820.5300, subp. 2.

On September 12, 2005, the Department of Commerce filed comments recommending that the Commission:

- Approve the tariff changes concerning bill format;
- Approve the tariff changes concerning the budget billing;
- Grant CenterPoint Energy a four-year variance from Minn. Rule 7820.5300, subp. 2;
- Require CenterPoint Energy to submit an annual compliance filing showing:
  - a. The total number of customers participating in the Automatic Bank Draft program;
  - b. The number of customers who choose a due date greater than five days from their billing date;
  - c. How many customers drop off the Automatic Bank Draft program annually and the

- reasons for their departure;
- d. Number and nature of complaints received each year regarding the Automatic Bank Draft program.
- Approve the Department's language modification to the appropriate sections of Center Point Energy's Northern and Viking tariff regarding the Automatic Bank Draft program.

On September 22, 2005, CenterPoint Energy filed comments agreeing to the Department's recommendations.

On December 1, 2005, the matter came before the Commission.

## **FINDINGS AND CONCLUSIONS**

### **I. Summary of Commission Action**

The Commission approves the tariff changes concerning bill format, budget billing format and the due date, grants a four-year variance from Minn. Rule 7820.5300, subp. 2 regarding the due date printed on the bill, and requires Center Point to submit an annual compliance filing. The Commission also finds, for the reasons set out herein, that Center Point shall send any disconnection notices in a separate mailing from the customer bill.

### **II. Disconnection Notice**

CenterPoint Energy's proposed Bill Format includes the language:

A message section, located under the heading "DID YOU KNOW," will include customer information such as payment options, rate and refund information and disconnect notices.

Center Point included no other information in its filing about its intentions regarding the disconnection notice. At the Commission meeting on December 1, 2005, Center Point clarified that its intention was to include notice of disconnection on the customer bill, in place of a separate mailing, as is its current practice, and requested Commission approval.

The Commission declines to approve CenterPoint's proposed practice of including the disconnection notice on the customer bill.

Minn. Rule 7820.1900, subp.1 requires:

Before disconnecting the service affecting the primary heat source of a residential unit for failure to make payment for the service, the utility shall serve, personally or by first class mail, the following upon the residential customer . . . :

- A. a commission-approved notice of proposed disconnection;

- B. a commission-approved notice of residential customer rights and possible assistance . . .
- C. A commission-approved, addressed, postage-prepaid form on which a residential customer . . . may declare inability to pay or request the ten percent plan.

Minn. Rule 7820.2400 is specific in terms of the language a disconnection notice must contain:

- the date on or after which disconnection will occur;
- the reason for the disconnection; and,
- the methods of avoiding disconnection in normal, easy-to-understand language.

The purpose of the disconnection notice is to inform the customer that their utility service is about to be terminated and to provide the customer with the remedies available to prevent the termination. To ensure that notice has been sent, Minn. Rule 7820.2400 obliges the utility to prepare an affidavit under oath, that the representative deposited in the mail, the notice properly addressed to the customer. In lieu of mailing, a notice may be delivered by a representative of the utility, and receipt of such notice must be signed by the customer or a family member.

Minn. Rules 7820.1900 and 2400 do not mention and do not appear to contemplate inclusion of the notice of disconnection on a customer bill. Nor does Minn. Rule 7820.3500, which lists the minimum requirements for information that must be included on a customer bill, make any reference to discontinuation notices. This absence speaks volumes.

In the Commission's estimation, it is unlikely that the message section on the monthly bill has adequate space to include the required information. Further, the Commission believes that a customer unable to pay his or her bill is more apt to discard a mailing which appears to be a bill, than a separate mailing. The Commission finds that including the disconnection notice on a customer bill does not constitute adequate "notice" to the customer pursuant to Minn. Rule 7820.1900. Accordingly, the Commission finds that the disconnection notice must be served upon the customer by a separate means, as set out by Minn. Rules 7820.1900 and 2400.

### **ORDER**

1. The Commission hereby approves the tariff changes concerning bill format, budget billing and the due date.
2. The Commission hereby grants CenterPoint a four-year variance from Minn. Rule 7820.5300, subp.2 regarding the due date printed on the bill.
3. CenterPoint Energy shall submit an annual compliance filing showing:
  - a. The total number of customers participating in the Automatic Bank Draft program,

- b. The number of customers who choose a due date greater than five days from their billing date,
  - c. How many customers drop off the Automatic Bank Draft program annually and the reasons for their departure,
  - d. Number and nature of complaints received each year regarding the Automatic Bank Draft program.
- 4. CenterPoint Energy shall send the disconnection notice to the customer separate in a mailing separate from the customer bill.
  - 5. The Commission hereby delegates to the Executive Secretary approval of language in CenterPoint Energy's disconnection notice.
  - 6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

This document can be made available in alternative formats (i.e., large print or audio tape) by calling (651) 201-2202 (voice) or 1-800-627-3529 (MN relay service).